
Office of the Insurance Commissioner (OIC) Overview

Tuesday, January 9, 2007

Senate Financial Institutions &
Insurance Committee

The Mission of the OIC is *Consumer Protection.*

We achieve this by:

- Making sure that insurers are solvent and engage in fair practices.
- Making sure that insurance products comply with the law and are sold at a fair price.
- Making sure that those who sell insurance products are competent and responsible.

And...

- Helping and advocating for consumers who have insurance problems.

OLC Company Supervision

- Licenses all insurance companies, health care services contractors, health maintenance organizations and other carrier types to transact business in Washington State.
- Oversees the corporate and financial activities of those companies.

OLC Rates & Forms

- Reviews and approves proposed premium rates through actuarial reviews of insurers' data.
- Reviews and approves insurance contracts for compliance with state and federal laws.

OLC Consumer Protection

- Consumer Advocacy
- Agent & Broker Investigations
- Licensing & Education
- SHIBA HelpLine
- Holocaust Survivor Assistance Office

Insurance Consumer Hotline

1-800-562-6900

- Nationwide 800 number.
- “Live” voice answers within a few seconds and appropriate compliance staff directly helps consumer.
- Over 150,000 phone calls per year.
- Over 5,000 complaints filed per year.
- \$51 million recovered in last four years for consumers who felt they were treated unfairly by their insurance companies.

SHIBA HelpLine

1-800-562-6900

- A free, confidential, impartial health insurance counseling and education service.
- Over 300 trained volunteers statewide offer up-to-date information on:
 - Private insurance,
 - Government programs,
 - Prescription assistance, and
 - Other topics.

Tax Collection & Funding

- The Commissioner is responsible for collection of a tax assessed on insurance premiums, penalties, and insurance licenses and fees for the general fund.
 - \$531 million a biennium for the state's General Fund.
 - \$265 million a biennium for the Health Services Account.
- No General Fund money goes to the Office of the Insurance Commissioner.
- Insurance companies pay a special assessment based on the business they do in the state, and that money is used to fund the operations of the OIC.
 - \$41.6 million biennial budget (05-07).
 - 210 FTEs.

Some Facts:

- **\$24.6 billion** – Amount paid by the people of Washington for insurance (all lines) in 2005.
- **1,438** - # of insurance companies, Health Care Service Contractors, and Health Maintenance Organizations operating in Washington.
- **58** - # of domestic insurers with headquarters based in Washington.
- **97,000** - # of insurance agents licensed by the OIC.

More facts:

- **\$51 Million** – savings to consumers by directly intervening in policyholders' complaints about insurance (2003 – 2006).
- **\$185 Million** – amount saved for consumers by denying excessive rate increases.
- **\$1 Billion** – approximate assets of all companies under OIC receivership.

OIC's 2007 Legislative Agenda

- Licensing Reform
- Market Analysis Program
- Health Insurance Rate Regulation Reform
- Retainer Medicine
- Regulatory Assessment for HMOs
- Capital & Surplus Requirements
- Confidentiality of Examiner Working Papers
- Direct Reporting of Risk Retention Groups
- Technical Bill

Contacts

Web site – www.insurance.wa.gov

Insurance Consumer Hotline/SHIBA

- 1-800-562-6900

Legislative Liaison - Mary Clogston

- 360-725-7101